

**REMARKS**

Please reconsider the application in view of the above amendments and the following remarks. Applicant thanks the Examiner for carefully considering this application.

**Disposition of Claims**

Claims 2-23 are pending in this application. Claim 20 is independent. The remaining claims depend, directly or indirectly, from claim 20.

**Claim Amendments**

Independent claim 20 has been amended to include clarify that the transport key is present in both the first unit and the second unit *prior* to communication between the first unit and the second unit. Support for this amendment may be found, for example, in FIG. 2 and FIG. 4 of the instant specification. No new matter has been added by this amendment.

**Rejection(s) under 35 U.S.C § 102**

Claims 2-11 and 13-23 stand rejected under 35 U.S.C. §102 as being anticipated by U.S. Patent No. 5,651,066 (hereafter "Moriyasu"). The rejection is respectfully traversed. For anticipation under 35 U.S.C. §102, the reference must teach every aspect of the claimed invention either explicitly or impliedly. Any feature not directly taught must be inherently present. The Applicant respectfully asserts that Moriyasu does not teach or suggest a method for customizing a set of several second security units as recited in the amended claims.

Specifically, Moriyasu fails to teach or suggest a transport key as recited in the amended claims. As recited in the amended claims, each unit (*i.e.*, the first unit and the second unit) includes the same transport key which is set *prior* to communication of the encrypted application

key. Thus, no transport key is communicated across the network between the first unit and the second unit. Moriyasu does not disclose *any* key which could properly be considered a transport key. The *only* keys which Moriyasu discloses are keys (*i.e.*, K3, K4, K3', K2e, K2d) which are *not* present on both the first unit and the second unit *prior* to the communication between the first and second units.

In view of the above, Moriyasu cannot be used to support the above rejection. Accordingly, withdrawal of the rejection is respectfully requested.

**Rejection(s) under 35 U.S.C § 103**

Claim 12 stands rejected under 35 U.S.C. § 103(a) as being obvious over Moriyasu in view of U.S. Patent 4,683,553 (hereafter "Mollier"). The rejection is respectfully traversed. Claim 12 depends from independent claim 20. As discussed above, Moriyasu does not teach or suggest the invention as recited in claim 20. Further, Mollier does not teach or suggest what Moriyasu lacks. This is evidenced by the fact that Mollier is only relied upon to teach "the system comprising a smart card." (*See* Office Action mailed April 7, 2005, p. 7). In view of the above, Moriyasu and Mollier, whether viewed separately or in combination, cannot be used to support the above rejection. Accordingly, withdrawal of the rejection is respectfully requested.

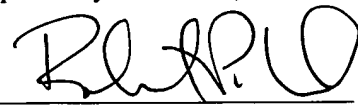
**Conclusion**

Applicant believes this reply is fully responsive to all outstanding issues and places this application in condition for allowance. If this belief is incorrect, or other issues arise, the Examiner is encouraged to contact the undersigned or his associates at the telephone number listed below. Please apply any charges not covered, or any credits, to Deposit Account 50-0591 (Reference Number 09669/004001).

Dated: July 6, 2005

Respectfully submitted,

By



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